

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 948 - SB 804

March 19, 2019

SUMMARY OF ORIGINAL BILL: Effective September 30, 2019, transfers the responsibilities of implementation of the *Consumer Protection Act of 1977*, administered by the Division of Consumer Affairs (DCA), from the Department of Commerce and Insurance (DCI) to the Attorney General and Reporter (AG).

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005932): Deletes and rewrites all language after the enacting clause such that the only substantive changes are: (1) clarifies that the AG must certify that the DCA complied with the complaint resolution process pursuant to Tenn. Code Ann. § 47-18-5002(2) before initiating a penalty for an unfair or deceptive practice unless the AG determines the purposes of the *Act* will be impaired by delaying legal proceedings; (2) establishes that the DCA will notify persons identified in complaints as engaging in unfair or deceptive practices and allow them an opportunity to respond, with the possibility of delegation with the complainant for a resolution; and (3) establishes that DCI will coordinate with the AG to transfer all documents, information, systems, and other material relevant to the operation of the DCA.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Ensuring that the AG and the DCA notify a defendant alleged as engaging in an unfair or deceptive act and certifying that such complaint was compliant with the existing resolution process will not increase or decrease expenditures.

HB 948 - SB 804

- The proposed legislation transfers the existing staff and budget of DCA from DCI to the AG on September 30, 2019; no alterations to retirement, benefit, or salary structures for staff members are anticipated.
- It is presumed that DCI would coordinate with the AG to transfer all necessary resources relevant to the operation of DCA.
- DCA's FY18-19 budget is \$868,100; DCI expenditures will decrease and AG expenditures will increase by the total annual DCA budget amount on the date of the transfer.
- DCA is funded entirely by state appropriations.
- As DCI and AG expenditures will offset, the overall net impact to the General Fund is estimated to be not significant.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- Transferring the supervisory responsibilities of DCA to the AG will have no impact to commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/agr